



County of Los Angeles CHIEF EXECUTIVE OFFICE

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SACHI A. HAMAI
Interim Chief Executive Officer

June 4, 2015

To: Mayor Michael D. Antonovich
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe

From: Sachi A. Hamai 
Interim Chief Executive Officer

Board of Supervisors
HILDA L. SOLIS
First District

MARK RIDLEY-THOMAS
Second District

SHEILA KUEHL
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

SACRAMENTO UPDATE

Executive Summary

This memorandum contains a report on the following:

- **Pursuit of County Position on Legislation**
 - **Pursuit of County Position to Support AB 755 (Ridley-Thomas).** This measure would provide, for a specified amount of time, a partial exemption from sales and use tax to qualified small businesses impacted by construction projects approved by the Los Angeles County Metropolitan Transportation Authority. Therefore, unless otherwise directed by the Board, consistent with existing policy to support legislation that would temporarily reduce or waive taxes and fees imposed on impacted businesses during transit-related construction activities, **the Sacramento advocates will support AB 755.**
- **Status of County-Sponsored Legislation**
 - **County-sponsored SB 461 (Hernandez)** - related to the relinquishment of a specified segment of State Highway Route 164 to Los Angeles County, passed the Senate Floor on June 2, 2015.
 - **County-co-sponsored SB 478 (Huff)** - related to an online system for receipt of child abuse reports, passed the Senate Floor on June 2, 2015.

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- **Status of County-Advocacy Legislation.** Updates on ten County-advocacy measures related to: immigration attorneys; county veterans services; assaults against health care workers; redevelopment dissolution bond proceeds; recidivism reduction programs; motor voter registration; subsurface installations; juvenile solitary confinement; the Right to Try Act; and fire protection services.
- **Status of County Interest Legislation.** Updates on four measures related to: manual recount of votes; processing ballots; the State minimum wage rate; and Medi-Cal benefits for immigrants.

Pursuit of County Position on Legislation

AB 755 (Ridley-Thomas), which as amended on May 13, 2015, would provide sales and use tax exemption for small businesses whose property line abuts or faces the rail corridor, a designated construction staging, or a construction storage area for three specific projects: 1) Crenshaw/LAX Transit Corridor Light Rail Line; 2) Regional Connector Transit Corridor Light Rail Line; and 3) Westside Subway Extension Light Rail Line.

As proposed by AB 755, to qualify for the exemption, small businesses must provide evidence, such as financial records, that the transit project has had a negative impact on its business and report less than \$200,000 in sales and use tax based on gross receipts for the previous four calendar quarters or have been in operation for less than four calendar quarters with less than an average of \$50,000 in sales and use tax based on gross receipts for each calendar quarter in operation. The State Board of Equalization (BOE) would be responsible to qualify the small business and approve its exemption. The Los Angeles County Metropolitan Transportation Authority would be responsible for notifying the BOE of the construction end date for each project, including the last project. The exemption would end on the last day of the calendar month, or 14 days after the last construction project ends, whichever is later.

According to the Assembly Revenue and Taxation Committee analysis, the partial sales and use tax exemption would be levied only against the State's General Fund rate, or 3.9375%, and would not apply to any tax levied by a county, city or district.

Therefore, consistent with existing Board policy to support legislation that would temporarily reduce or waive taxes and fees imposed on impacted businesses during transit-related construction activities, **the Sacramento advocates will support AB 755.**

Support for AB 755 is also consistent with the Board's action of September 23, 2014, which instructed the Chief Executive Officer, Treasurer and Tax Collector, and Interim Assessor, to work with the County's Sacramento advocates, the Los Angeles County Metropolitan Transportation Authority, and local cities to seek all appropriate legislation that would temporarily reduce or waive taxes and fees imposed on impacted businesses during transit-related construction activities.

AB 755 is supported by the Greater Los Angeles African American Chamber of Commerce and the Los Angeles County Metropolitan Transportation Authority. The California Taxpayers Association opposes this measure.

AB 755 is currently awaiting hearing in the Assembly Revenue and Taxation Committee.

Status of County-Sponsored Legislation

County-sponsored SB 461 (Hernandez), which as amended on April 6, 2015, would authorize the California Transportation Commission to relinquish to Los Angeles County a segment of State Highway Route 164, which runs from the southern boundary of South El Monte and the northern boundary of Pico Rivera, passed the Senate Floor by a vote of 38 to 0 on June 2, 2015. This measure now proceeds to the Assembly.

County-co-sponsored SB 478 (Huff), which as amended on June 1, 2015, would authorize a voluntary pilot program, until January 1, 2021, for up to 10 counties to allow specified mandated reporters to make initial reports of non-emergent child abuse or neglect to the Child Protection Agency through an online report, in lieu of telephonic reports; and would require the California Department of Social Services to consult with the County Welfare Directors Association and the county welfare agencies of individual counties to determine which counties may be involved in the pilot program, passed the Senate Floor by a vote of 40 to 0 on June 2, 2015. This measure now proceeds to the Assembly.

Status of County-Advocacy Legislation

County-supported AB 60 (Gonzalez), which as amended on May 22, 2015, would make it unlawful for attorneys and immigration consultants to demand or accept advance payment for immigration reform services in connection with President Obama's November 20, 2014 Executive orders on immigration, passed the Assembly Floor, in concurrence of Senate amendments, by a vote of 79 to 0 on June 2, 2015. This measure now proceeds to the Governor.

County-supported AB 171 (Irwin), which as amended on May 28, 2015, would continuously appropriate \$5.6 million from the State General Fund to fund the activities of County Veterans Service Officers, passed the Assembly Floor by a vote of 78 to 0 on June 2, 2015. This measure now proceeds to the Senate.

County-supported AB 172 (Rodriguez), which as introduced on May 28, 2015, would increase penalties for an assault or battery committed against a physician, nurse or other health care worker providing services inside an emergency department of a hospital, clinic or other health facility, passed the Assembly Floor by a vote of 78 to 0 on June 2, 2015. This measure now proceeds to the Senate.

County-opposed AB 974 (Bloom), which as amended on March 26, 2015, would allow redevelopment and housing successor agencies to commit remaining proceeds from redevelopment related bonds issued between January 1, 2011 and June 28, 2011, passed the Assembly Floor by a vote of 46 to 29 on June 2, 2015. This measure now proceeds to the Senate.

County-support-if-amended AB 1056 (Atkins), which as amended on May 21, 2015, would direct Proposition 47 grant moneys to fund recidivism reduction programs that focus on community-based solutions, including mental health services, substance abuse disorder treatment services, misdemeanor diversion programs, and housing assistance, passed the Assembly Floor by a 78 to 0 vote on June 2, 2015. This measure now proceeds to the Senate.

County-supported AB 1461 (Gonzalez, Alejo, and McCarty), which as amended on May 5, 2015, would provide for automatic voter registration based on Department of Motor Vehicle records after the Secretary of State certifies a statewide voter registration database that complies with the Federal Help America Vote Act, passed the Assembly Floor by a vote of 52 to 26 on June 2, 2015. This measure now proceeds to the Senate.

County-opposed unless amended SB 119 (Hill), which as amended on June 1, 2015, would make several changes to the State's subsurface installation excavation laws and create an Authority to enforce these laws and assess civil penalties for violations of their provisions. As currently amended, SB 119 removes provisions that would exempt the California Department of Transportation from submitting maps to the regional notification center and from marking its underground facilities within 48 hours of a proposed excavation. The Department of Public Works has reviewed the most recent amendments and notes that they do not change the County's concerns with SB 119. Therefore, the Sacramento advocates will continue to oppose the bill. SB 119 passed the Senate Floor by a vote of 24 to 11 on June 2, 2015. This measure now proceeds to the Assembly.

County-supported SB 124 (Leno), which as amended on June 1, 2015, would allow the use of solitary confinement for minors in State and local juvenile facilities only in limited circumstances and under specified use and monitoring protocols, passed the Senate Floor by a vote of 26 to 13 on June 2, 2015. This measure now proceeds to the Assembly.

County-support-if-amended SB 149 (Stone), which as amended on May 5, 2015, would establish the Right to Try Act which would allow a manufacturer of an investigational drug, biological product or device to make the product available to patients with a terminal illness, passed the Senate Floor by a vote of 39 to 0 on June 2, 2015. This measure now proceeds to the Assembly.

County-opposed SB 239 (Hertzberg), which as amended on June 1, 2015, would require a public agency proposing new or extended fire protection services outside of its current service area to either: 1) enter into a written agreement with; or 2) provide written notice of the proposed contract to each affected public agency and recognized employee organization representing firefighters in the affected area prior to submitting the proposal to the local agency formation committee (LAFCO). As currently amended, SB 239 retains provisions which would require a public agency to submit a plan for extended services for fire protection to LAFCO for review and approval, rather than allowing local elected officials to make policy decisions in response to local needs, service requirements and cost effectiveness. Therefore, **the Sacramento advocates will continue to oppose this bill**. SB 239 passed the Senate Floor by a vote of 26 to 12 on June 2, 2015. This measure now proceeds to the Assembly.

Status of Legislation of County Interest

AB 44 (Mullin), which as amended on April 27, 2015, would permit any voter to request a State-funded manual recount of all votes cast for a statewide office, President of the United States, or a State ballot measure if the difference in the number of votes received is less than or equal to the lesser of 1000 votes or 0.015 percent of the number of all votes cast, passed the Assembly Floor by a vote of 74 to 4 on June 2, 2015. This measure now proceeds to the Senate.

AB 363 (Steinorth), which as amended on May 19, 2015, would authorize county election officials to process ballots at a central counting place before the closing of the polls, require county officials to notify the public of the delivery and transfer of ballots, and require the Secretary of State to adopt regulations addressing the secure delivery and transfer of ballots, passed the Assembly by a vote of 78 to 0 on June 2, 2015. This measure now proceeds to the Senate.

Each Supervisor
June 4, 2015
Page 6

SB 3 (Leno), which as amended on March 11, 2015, would phase-in increases to the State minimum wage, passed the Senate Floor by a vote of 23 to 15 on June 1, 2015. Under current law, the State minimum wage is scheduled to increase to \$10.00 per hour on January 1, 2016. As proposed, SB 3 would instead increase the State minimum wage to \$11.00 per hour on January 1, 2016; \$13.00 per hour on July 1, 2017; and require automatic adjustments annually based on the rate of inflation beginning January 1, 2019. This measure now proceeds to the Assembly.

SB 4 (Lara), which as amended on June 1, 2015, would extend full-scope Medi-Cal benefits to children up to 19 years of age, regardless of their immigration status, and to individuals 19 years of age and older, if sufficient funding is available, passed the Senate Floor by a vote of 28 to 11 on June 2, 2015. This measure now proceeds to the Assembly.

We will continue to keep you advised.

SAH:JJ:MR
VE:IGEA:ma

c: All Department Heads
Legislative Strategist
Local 721
Coalition of County Unions
California Contract Cities Association
Independent Cities Association
League of California Cities
City Managers Associations
Buddy Program Participants